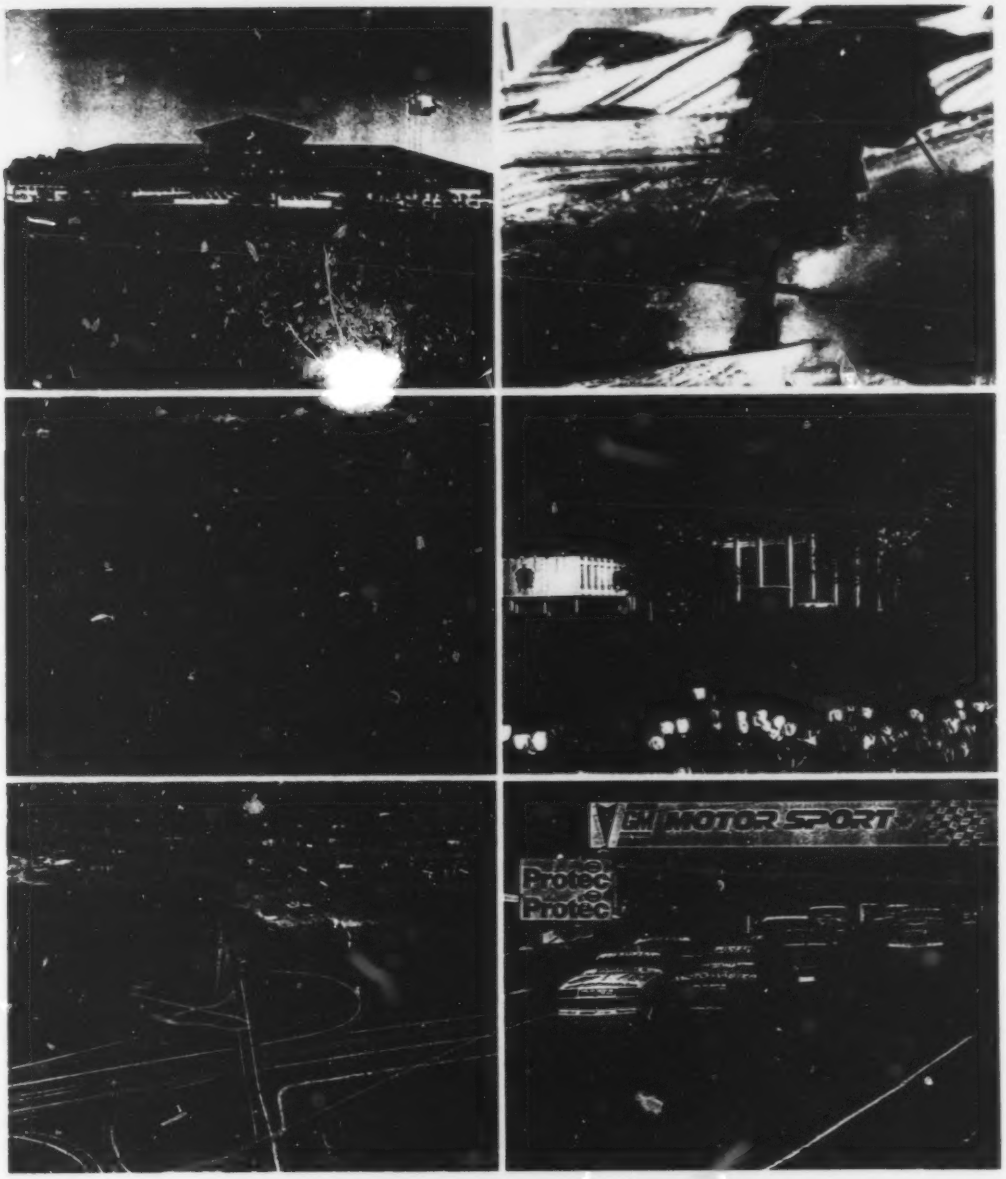
FINANCIAL REPORT 1991



The Regional Municipality of Durham

93-02738/

Message From the Regional Chair

The year 1991 will be remembered as a year of challenges for the Region of Durham. The Ontario economy was suffering from its most severe recession since the 1930's. The Region's costs for welfare assistance almost doubled, while unemployment remained high forcing hundreds out of work.

Yet despite these bleak economic times, the Region had a responsibility to provide adequate, reliable service to our residents. At the same time, we had to maintain an acceptable tax increase. This was the challenge faced by the Region. The Region met this challenge head on and I am pleased to report that, in spite of a doubling of social service costs, the Regional tax levy was kept to a modest increase. I applaud Regional Council, our senior appointed staff, and all Regional employees for their success in meeting this most difficult challenge.

The Region's success is a tribute to its sound financial base and the prudent financial management of the public's resources. Despite the recession, we remain financially strong and committed to providing the residents of the Region with service levels that they have come to appreciate.

The Region is also poised to meet the challenges of the next decade. Our strong financial position will enable us to continue to expand our infrastructure while keeping our debt at manageable levels. This has been possible by the continuation of the Region's pay-as-you go policy for financing capital expenditures. Its success has provided the Region with a solid foundation upon which we can grow and continue to prosper as one of the fastest growing municipalities in the Greater Toronto Area.

Our strength is our people, with their dedication to providing the best possible service to the Region of Durham at the best possible price. Our strength is our community, which provides character and diversity to the Region and makes Durham not just a place to live, work, and play, but a place to call home. Our strength is our industry, which provides the services and jobs to keep our economy alive.

Together, we will be able to meet the challenges in the next decade and will remain a strong and viable force in the Greater Toronto Area.

Gary Herrema
Regional Chair

Regional Municipality of Durham, 605 Rossland Road East, Whitby, Ontario L1N 6A3 Telephone 668-7711

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Cover Photo Locations:

1. The New Durham Regional Police Services Building, Town of Pickering
2. Ski Lakeridge Resort, Township of Uxbridge
3. Lynde Shores Conservation Area, Town of Whitby
4. The Regional Municipality of Durham Head Quarters, Town of Whitby
5. Interchange, Town of Bowmanville
6. Mosport Park, Town of Newcastle

Chief Administrative Officer	D.R. Evans, MA. Sc., P. Eng.
Finance Department	J.L. Gartley, CMA, AMCT *Treasurer and Commissioner of Finance*
	R.J. Clapp, CA *Director of Treasury and Fiscal Planning*
	J.M. Cermak, CA *Manager of Accounting*
	P.N. Richards, BBA, MBA *Manager of Budgets, Economic Studies and Risk Management*
	M.C. Martinez, MBA, CA *Director of Supply and Utility Finance*
	J.S. Lorne, CET, MBA *Manager of Supply & Services*
	R.D. Siblock, CMA *Manager of Water & Sewer Billing and Customer Service*
Auditor	Deloitte & Touche *Chartered Accountants*
Banker	The Royal Bank of Canada
Managers of Fiscal Agency	RBC Dominion Securities Inc. Wood Gundy Limited

Regional Council

December 31, 1991

Chairman	Gary Herrema
Town of Ajax	*Jim Witty Roger Anderson Susan Dulny
Town of Newcastle	*Diane Hamre Ann Dreslinski Larry Hannah Ken Hooper
Town of Pickering	*Wayne Arthurs Maurice Brenner Rick Johnson Kip Van Kempen
Town of Whitby	*Tom Edwards Ross Batten Marcel Brunelle Joseph Drumm
City of Oshawa	*Nancy Diamond John Aker Mike Armstrong Pauline Beal David Conway Linda Dionne Irv Harrell Brian Nicholson Nestor Pidwerbecki Jim Potticary Margaret Shaw
Township of Brock	*Donald Hadden David Marquis
Township of Scugog	*Howard Hall Yvonne Christie
Township of Uxbridge	*Gerri Lynn O'Connor Susan Para

**Denotes Mayor of Municipality*

Report from the Treasurer and Commissioner of Finance

I am pleased to present the Financial Report of the Regional Municipality of Durham for 1991 including the Auditors' Report and to comment on the major economic and financial accomplishments of the past year.

The firm of Deloitte & Touche, Chartered Accountants, through its Auditors' Report, has expressed an independent and informed judgement as to whether the Region's financial statements present fairly the Municipality's financial position and results of its operations in conformity with generally accepted accounting principles.

The financial strength in the Region is clearly illustrated in this year's financial statement: debt levels remain low; the Region has sufficient reserves and reserve funds to draw upon; and the Regional Tax Levy increase was constrained to 4.1%, slightly below the rate of inflation. This was accomplished during a year that saw increased welfare costs and declining revenue sources as a result of the economic downturn.

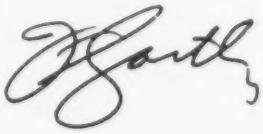
To achieve these impressive results, the Region implemented restrictive cost cutting measures, stringent budgetary controls, and continued its pay-as-you-go policy for the financing of capital expenditures.

Costs for Social Services Programmes continued to have the largest impact on the Regional Tax Levy for 1991. Regional costs for welfare assistance almost doubled in 1991. The Region has little control over these costs, but is still required to provide a portion of the financing. This large cost impact underscores the need to proceed quickly with the Provincial initiative, "Disentanglement" the restructuring of roles and responsiblities between the Province and municipalities. The Region has been participating in the process of disentanglement and will continue to work with the Province to unravel this complicated web of jurisdictional responsiblities.

The Region's pay-as-you-go policy remains the cornerstone of the Region's capital financing policy. The low debt levels and reduced debt per capita are the results of this successful policy. The Region's reserves and reserve funds will complement our pay-as-you-go policy to minimize debenture borrowing in the future. Through foresight and sound financial planning and management, the Region is well positioned to meet the demands for future capital infrastructure spending.

Durham's strong financial position has been maintained despite the financial pressures imposed by the recession. This impressive financial position has been recognized by Moody's and the Canadian Bond Rating Service in granting a Triple A credit rating to the Region. By remaining committed to prudent fiscal policies and controls, the financial health and integrity of the Region will continue into the next decade.

Respectfully submitted,



J.L. Gartley, CMA
Treasurer and Commissioner of Finance

The Year At a Glance

Economic and Business Highlights

The Economic Environment

The recession which gripped the North American and world economies in 1990, continued to be felt throughout 1991. Canada experienced a decline in growth and interest rates, unemployment remained high, and consumer confidence remained at a very low level. Throusands were out of work as the unemployment level in Ontario rose throughout 1991 before declining to 9.6% by year end. Durham Region fared slightly better than the Ontario average ending the year with a 9.4% unemployment rate.

By the end of 1991, the long anticipated recovery was sluggish at best. Economists are predicting that the stagnant recovery may persist throughout 1992, and it may not be until 1993 when we see some signs of real growth in the economy.

Like the other regions in Ontario, Durham was not immune from the effects of the recession, although the Region managed very successfully through this difficult period. The total value of building permits declined slightly to $613.2 million in 1991 compared with $648.8 million in 1990. While the value of non-residential permits declined by 33% over 1990, the value of residential building permits increased by 7% to $472.8 million from $441 million in 1990.

Further, it is encouraging that Durham's share of the total value of building permits issued in the Greater Toronto Area continues to increase. In 1991, Durham's share increased to 11% from 9% in 1990. The Region expects this trend to continue.

The Region showed some signs of recovery in 1991 as seen in the improvement in housing activity. In fact, the Oshawa CMA (which includes Whitby, Newcastle and the City of Oshawa) performed better than the Greater Toronto Area showing a 18.6% increase in housing starts compared with a 2.5% average increase for the Greater Toronto Area. The number of residential units in the Region also increased in 1991, reaching 4,059, an increase of 8.4% over 1990.

The Business Environment

Business and institutions in the Region continued to expand and grow in 1991 demonstrating confidence in the Durham economy. The total value of the non-residential construction was over $140.4 million resulting in additional new non residential floor space totalling 1.2 million feet.

The major expansions included:

- Duffin's Creek Water Pollution Plant, Pickering (estimated construction value of $7 million);
- Ontario Hydro, Ajax (estimated construction value of $5 million);
- C.P. Express, a New trunk terminal, Pickering (estimated construction value of $4.3 million)
- Addition to the Oshawa General Hospital, (estimated value of construction $2.2 million).

Other non-residential building activity includes the new Municipal Office for the Township of Uxbridge, major renovations and additions to the Oshawa Golf Course and the new Divisional Police Headquarters in Pickering.

The Region's excellent supply of serviced industrial lands, substantial areas of land designated for future industrial and commercial uses and the active promotion of the Region continue to have a positive effect on the number of new firms choosing to locate in the Durham Region.

The Region of Durham also recognizes the importance of a good transportation system to enhance future development. Expansion of Highway 401 is underway, with work beginning on the expansion to Brock Rd. in Pickering. This phase is expected to be completed in the next four years. The expansion will help improve the transportation links within the Region and the Greater Toronto Area.

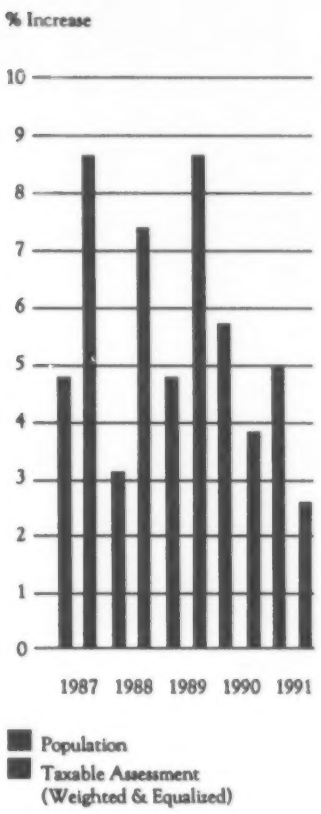
The Region supports measures to maximize the use of public transport within the Region and to encourage and promote the continued expansion of the GO transit system. The GO train is scheduled for expansion to Oshawa by as early as 1994, with further expansion to Bowmanville expected in the future.

Population and Taxable Assessment

Equalized taxable assessment is the approximate market value of real property and is an indication of the capacity of the Region to raise revenue through the Regional Tax Levy. It is also an indicator of the strength of the economic base as it measures the amount of construction activity occurring. The resilience of the Region's economic base is evident by the growth in taxable assessment (equalized and weighted) in 1991 to $23.7 billion, despite the downturn in the economy. This represents an increase of 2.5% over 1990.

Exhibit 1 indicates the growth rates of taxable assessment (equalized and weighted) and population for the last five years. The 1991 population increased by 5% over 1990 while taxable assessment increased by half the population growth rate.

Exhibit 1
Yearly Increase In Population and Taxable Asessment for the Years 1987 - 1991



The Year At a Glance

Financial Highlights

Low Tax Levy

The Region of Durham was able to restrict a Regional Tax Levy increase to only 4.1% in 1991 despite the increased service demands caused by the recession. The Region's costs for welfare almost doubled in 1991, creating the need to have tight budgetary guidelines to maintain a low tax increase. The adherence to these stringent budgetary controls as well as careful scrutiny over all the Region's finances resulted in a general levy surplus of $1.9 million in 1991.

The Region's ability to maintain a modest increase in the Region levy, keep expenditures within budget, and achieve a surplus at year-end is a testament to sound financial management.

Pay-as-You-Go Minimizes Debt Levels

The Region's existing pay-as-you-go capital financing policy has resulted in declining outstanding debt levels and debt service costs over the last several years. This policy has put the Region in a solid financial position and has enabled the Region to maintain its Triple AAA rating by the Canadian Bond Rating Service.

Total debt per capita for general municipal acitivites averaged $0.57 in 1991, compared with $1.28 in 1990. This is the lowest debt per capita over the last 10 years. Total debt outstanding has decreased to $15.2 million in 1991 from $21.8 million in 1990.

The pay-as-you-go philosophy continued to be the cornerstone of the Region's financing strategy. To this end, the Water Supply and Sanitary Sewerage Budget provided current funding for capital projects of approximately $36.9 million in 1991.

The Region will likely be faced with substantial capital requirements in the future as water supply and sanitary sewerage infrastructure need expansion and replacement. To prevent large fluctuations in the Region's user rates and development charges levies, Durham may need to rely on debenture borrowing for large projects in the future. However, the Region will endeavour to continue its pay-as-you-go policy to the extent that is possible.

User Pay Philosophy for Water Supply and Sanitary Sewerage Operations

Water and Sewer operations continue to be financially self supporting primarily through a combination of user rates and development charge levies.

The Region's Rate Stabilization Reserve Funds for Water Supply and Sanitary Sewerage Operations also complement the Region's pay-as-you-go policy.

The Reserve Funds have been used successfully to prevent large fluctuations in the user rates and also to provide financing for future water and sewer plant related capital costs. At the end of 1991, the balances in the Rate Stabilization Reserve Funds for Water Supply and Sanitary Sewerage were $11.1 million and $13.9 million, respectively.

Development Charges Policy Enacted

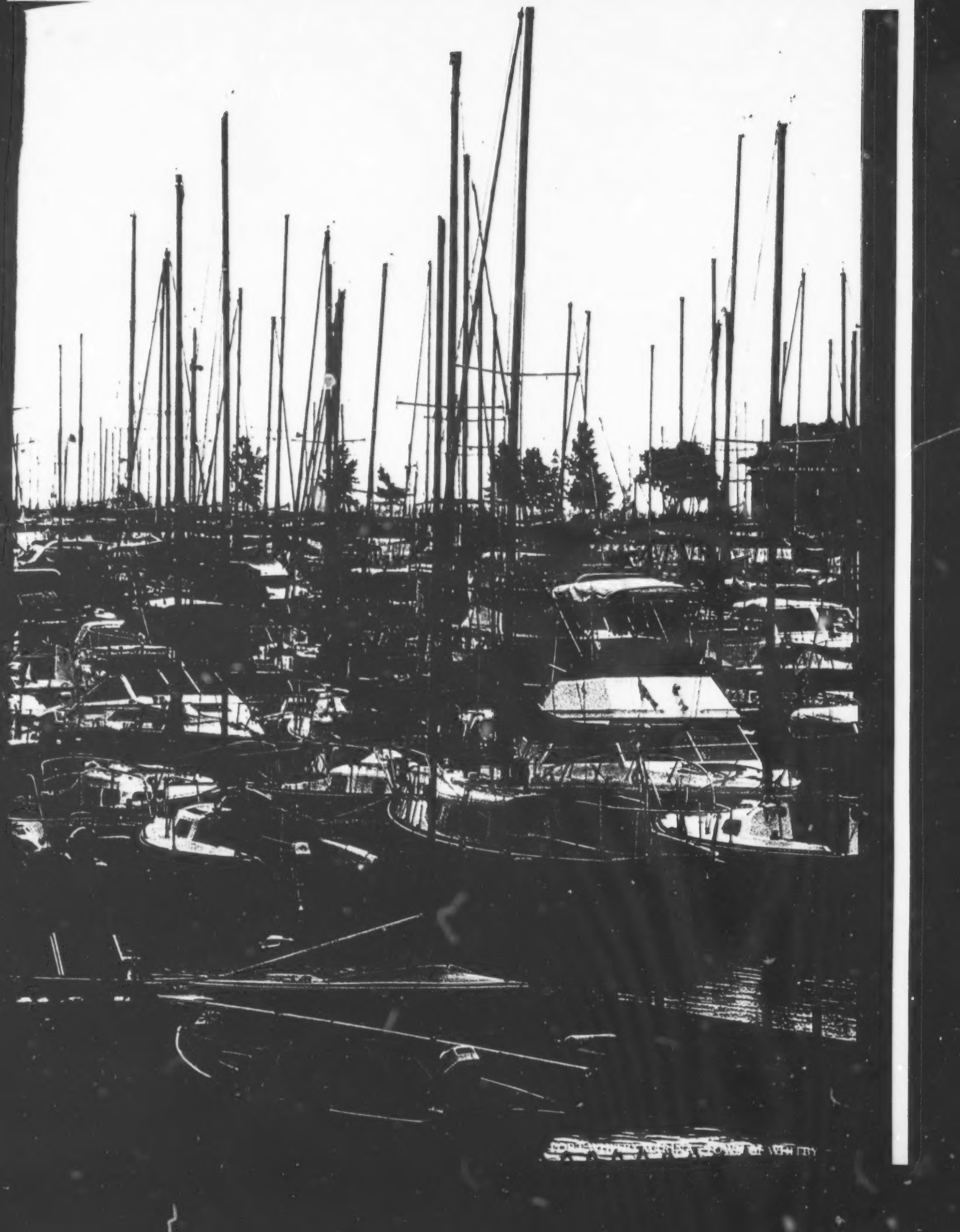
The year 1991 saw the implementation of the Region's new Development Charges By-Law, pursuant to the Provincial Development Charges Act adopted in 1989. This Act set forth a legislative framework for the calculation and collection of development charges and the structure of front-end financing arrangements. Development charges are utilized by the Region to help finance the residential growth related capital costs of providing municipal services and are an important source of capital financing to the Region.

The new by-law will provide a clear indication of the financing responsibilities for new residential development in the Region. During the course of developing the policy the Region had an extensive public consultation process, including public meetings and presentations to Council. In the end, the final development charges policy had the support of the public, the Urban Development Institute and Regional Council. This new by-law will allow the financing of future new residential development to take place on a firm foundation.

Sound Financial Policies

Although 1991 was a difficult year for both the national and local economies, the Region of Durham managed the year quite successfully. This success is shown in the excellent financial results for 1991. The Region was able to preserve service levels while maintaining a moderate increase in the Regional Tax Levy. These impressive results can be attributed to the careful adherance to financial controls, strict budgetary guidelines and prudent financial management.

Further, the Region's pay-as-you-go policy together with the use of special capital levies and the ability to draw on reserves and reserve funds places the Region in a solid position to finance future capital expansions.



Revenue Fund

Expenditures

In 1991, total gross revenue fund expenditures amounted to $305.2 million, an increase of 20.3% from the prior year's total of $253.7 million. These expenditures include transfers of monies to the capital fund, as part of the pay-as-you-go policy, and to reserves and reserve funds. Revenue fund expenditures on current operations alone totalled $277.7 million, an increase of 25.9% from 1990.

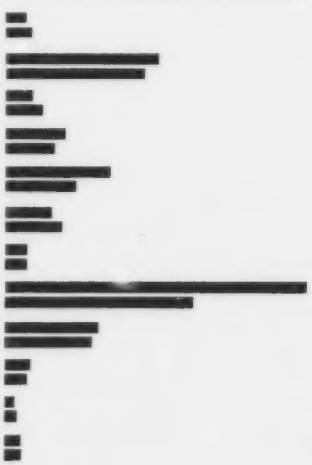
As in previous years, Social and Family Services represented the largest expenditure item at $135.0 million or 48.6% of total current expenditures. The cost of Social and Family Services includes welfare assistance, family counselling, day nursery services and the operation of Durham's three Homes for the Aged. These costs are directly related to programs established by the Province of Ontario, and accordingly, are extensively subsidized by the Province.

The cost for Protection to Persons and Property totalled $48.6 million or 17.5% of total expenditures. Of this amount, $46.2 million represented the Durham Regional Police Force costs for the year while the balance represented the Regional share of the costs of various Conservation Authorities and the Emergency Measures program.

The balance of expenditures of the revenue fund is illustrated in Exhibit 2.

Exhibit 2
Revenue Fund Expenditures
(All amounts in thousands of dollars)

		1991	1990
EXPENDITURE	General Government	7,686	8,469
	Protection to Persons and Property	48,596	42,740
	Transportation Services	8,826	10,633
	Waterworks	18,374	15,938
	Sanitary Sewage	32,580	20,190
	Waste Disposal	14,892	17,969
	Health Services	7,768	7,273
	Social Services	95,203	57,858
	Senior Citizen Services	29,996	27,323
	Day Nurseries	7,478	6,750
	Family & Children's Services	2,333	1,981
	Planning & Development	4,003	3,504
	Total Expenditure	277,735	220,628



■1991 ■1990

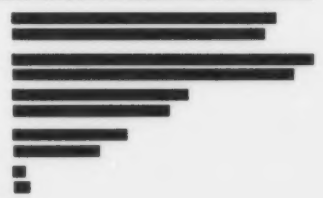
Sources of Financing

The main sources of revenue in 1991 for Durham total $305.1 million and are presented in Exhibit 3.

The major source of financing for the Region is the conditional and unconditional grants provided by the Province of Ontario. For 1991, this funding amounted to $128.5 million and represented 42.1% of the total financing, up from 37.6% in 1990. The increase in Provincial funding is largely due to the increase in conditional funding for general welfare assistance related expenditures. The balance of the financing was received from the Regional Tax Levy (27.5%), user charges for water supply and sanitary sewage treatment (17.8%), fees and service charges (11.7%) and other miscellaneous sources (0.9%).

Exhibit 3
Sources of Revenue Fund Financing
(All amounts in thousands of dollars)

		1991	1990
REVENUE	Regional Levy	83,958	78,445
	Ontario Grants	128,542	94,169
	User Charges: Water and Sewer	54,215	48,422
	Fees and Service Charges	35,618	26,534
	Other	2,793	2,883
	Total Revenue	305,126	250,453



■1991 ■1990

Water Supply and Sanitary Sewerage Operations

Water / Sewer Operations Continue to be Self Financing

A major responsiblity of the Region of Durham is the administration, operation and maintenace of the water supply and sanitary sewerage systems. Revenues required to finance these Regional functions are raised primarily from Region-wide uniform user fees. The water and sewer revenues and expenditures are monitored very closely during the year to ensure that these specialized operations are self-financing.

Both the Water Supply and Sanitary Sewerage Operations generated surpluses in 1991. For Water, the surplus amounted to $6.5 million which is due in part to the revenues from the sale of water and to the deferral of certain capital projects to future years.

This surplus has been transferred to the Rate Stablization Reserve Fund and can be used in future years to offset increases in the user rates and to finance capital expansion of the water supply system.

Similarly, the 1991 operation of the Sanitary Sewerage system resulted in a surplus of $5.7 million. As with the Water Supply Operation, this surplus has been transferred to the applicable rate stabilization reserve fund for use in future years.

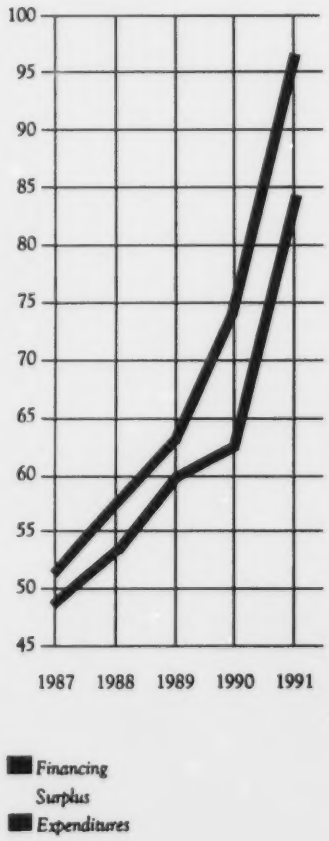
Exhibit 4 indicates the total amount spent on Water Supply and Sanitary Sewerage Operations and the surplus generated for each of the years 1987 to 1991. This chart reveals the strong financial position of the Water Supply and Sanitary Sewerage Operations.

Financing Strategy - Minimizing Debenture Financing

The Region has been able to follow a pay-as-you-go policy since 1982. The result of this financing strategy is reflected in the decreased debt payments incurred by the Region. A pay-as-you-go policy has been possible and successful because the Region has had sufficient capacity to provide service to its customers. However, water supply and sewage treatment plant reserve capacity, much of which was built a decade or so ago, is becoming depleted. As well, the increase in population growth experienced by the Region and consequently, customer growth (Exhibit 5), has added to the need for major new treatment plant expansions.

Exhibit 4

Water and Sanitary Sewer Expenditures and Yearly Surplus Amounts
$ Million



The capital requirements for major treatment plants are beyond the funds that can be generated on a pay-as-you-go basis. Forward thinking and good financial planning has enabled the Region to maintain solid reserves and reserve funds which will complement the Region's pay-as-you-go policy. However, to maintain user rates at reasonable increases, some debenture borrowing may be required. Borrowing for large projects is good financial practice as it distributes costs effectively to those benefitting and will maintain realistic increases in user rates in times of extraordinary capital requirements.

Rate Increases Kept to a Minimum

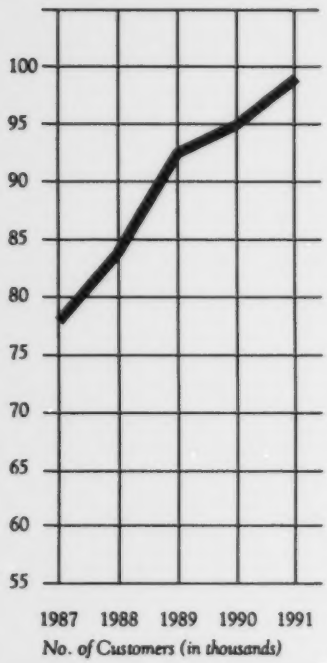
As a result of the Region's annual review of the financing and servicing of Water Supply and Sanitary Systems, the increase in the 1991 Regional water and sanitary sewer user rates resulted in an average increase of 5.6% for a typical residential customer using 60,000 gallons per year. This increase was required to meet current and capital expenditure requirements. The Region feels this is an acceptable increase given the large demands being placed on the Region's water/sewer systems. In fact, Durham's rates compare favourably with other larger municipalities.

Durham has also maintained its ability to service its high volume customers at relatively low user rates. The costs associated with providing large volume users with water/sewer services are lower than the costs to supply smaller users. In keeping with Durham's User Pay philosophy for water/sewer operations, the Region is able to pass on economies of scale to our large volume users. This provides obvious cost savings to industry locating in the Region.

Durham will continue to monitor and review the costs and financing of the Water Supply and Sanitary Sewerage Operations annually to ensure that these operations are efficiently managed; financially sound; will allow for future growth, but will not impose an undue financial burden on the users of these systems.

Exhibit 5

Increase In The Number Of Water Customers (1987 to 1991)



Solid Waste Management

Solid Waste management continues to be an important issue to the Region of Durham. 1991 saw the introduction of a myriad of papers by the Provincial Ministry of Environment.

- The foundation of the Province's waste strategy began with the introduction of Ontario's Waste Reduction Action Plan. The plan was designed to accelerate waste reduction efforts in the Province.

- The Province also announced a specific strategy for dealing with Greater Toronto Area waste. A long term site would be chosen by a provincially created Interim Waste Authority, one site in the Regional Municipality of Peel, one in the Regional Municipality of Durham and one in the Regional Municipality of York, for York and Metro Toronto's waste.

- Bill 143, the Waste Management Act, was passed giving the Province more powers to mandate recycling and implementing the Provincial Strategy for the Greater Toronto Area; giving the Interim Waste Authority additional powers needed to carry out the landfill site search for the Greater Toronto Area; and providing broad changes to the Environmental Protection Act.

Since the Region no longer has the responsibility to search for a long term landfill site, we are now able to concentrate our efforts more fully on the 3R's (Reduction, Reuse, Recycling). The Region's current 3R's program has been very successful. In 1991, the Region surpassed the goal of "25% diversion by 1992" set by the Province. The Region is continuing to sell recycled materials and, unlike some municipalities, the Region sent no recyclable materials to landfill sites in 1991.

The Region is proud of its achievements in the 3R's and we remain committed to ensuring sound 3R's programs. We will continue to explore ways to improve these programs and to make them more cost-effective.

Reserves and Reserve Funds

The use of Reserves and Reserve Funds complements the Region's pay-as-you-go policy for financing capital expenditures. These sources continue to be a very significant and integral aspect of the overall financing of major capital projects.

In 1991, $28.0 million ($23.7 million in 1990) was transferred to revenue funds from reserves and reserve funds to finance capital expenditures and debenture debt charges related to new residential growth. This reflects Regional Council's on-going desire to pay, whenever possible, for capital expenditures relating to new residential growth from funds which are collected mainly from residential developers for this purpose.

Reserves and reserve fund balances at the end of 1991 were $116.5 million. This amount represents an increase of $14.9 million from 1990. The increase results primarily from the surplus funds generated from the year's operation of the Water Supply and Sanitary Sewerage systems and the receipt of development charges. The majority of these funds are committed to assist in the financing of future capital expenditures for Water Supply, Sanitary Sewerage, Roads, Waste Management and Risk Management.

By prudent investment of all reserve funds through the year an additional $9.0 million in interest income was earned. This income remains in the reserve funds to be applied against future capital requirements for new residential growth.

Capital Operations

Regional Council carefully scrutinizes all funding of capital operations to ensure the financing of as much capital expenditure from current revenues as practical, thereby maintaining the Region's established pay-as-you-go policy. In 1991, Durham spent $63.0 million on capital projects ($53.4 million in 1990). Sources of Capital Funds in 1991 were provided from current operations ($37.0 million), Provincial grants ($12.7 million), and other sources including Reserves and Reserve Funds ($15.1 million.)

A Summary of the 1991 capital operations is illustrated in Exhibit 6 below.

Exhibit 6 **Capital Expenditures & Financing**

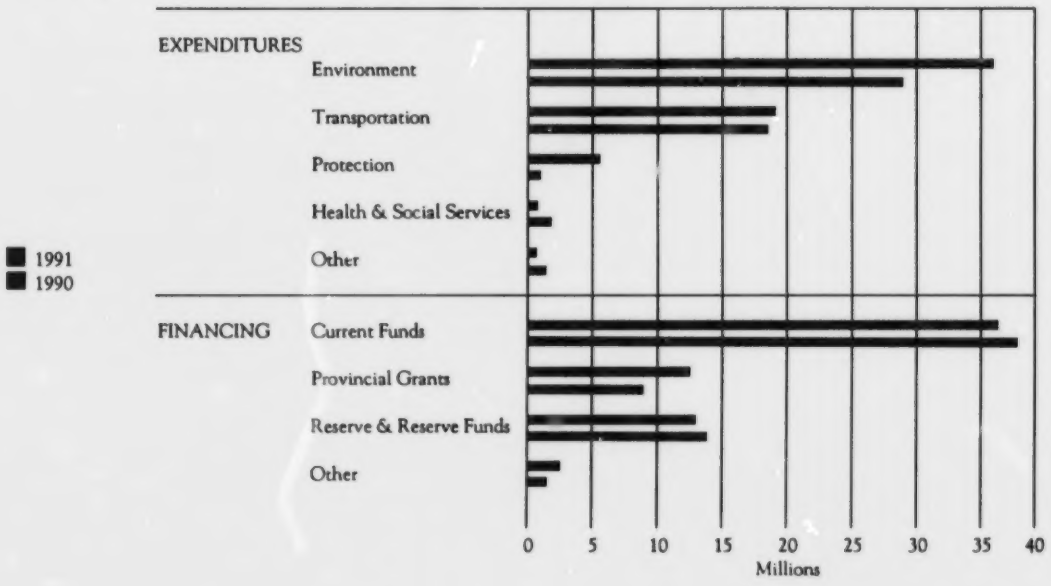
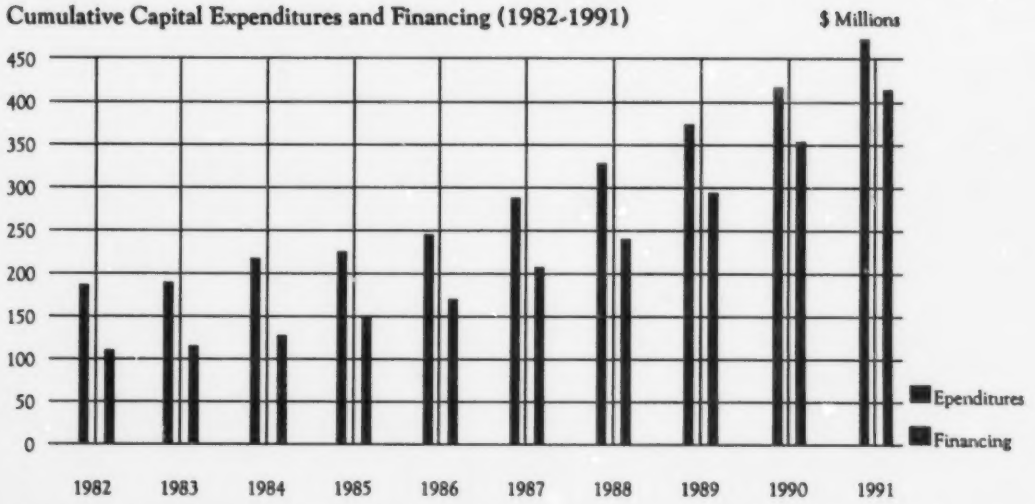


Exhibit 7 highlights Regional Council's pay-as-you-go capital spending policy over the years. Approximately $425 million of capital expenditure, financed from current operations and sources other than long term debt, have been incurred since the inception of the Region in 1974. This represents 78% of the funding of the total capital expenditures program from 1974 to 1991 inclusive.

Exhibit 7

Cumulative Capital Expenditures and Financing (1982-1991)

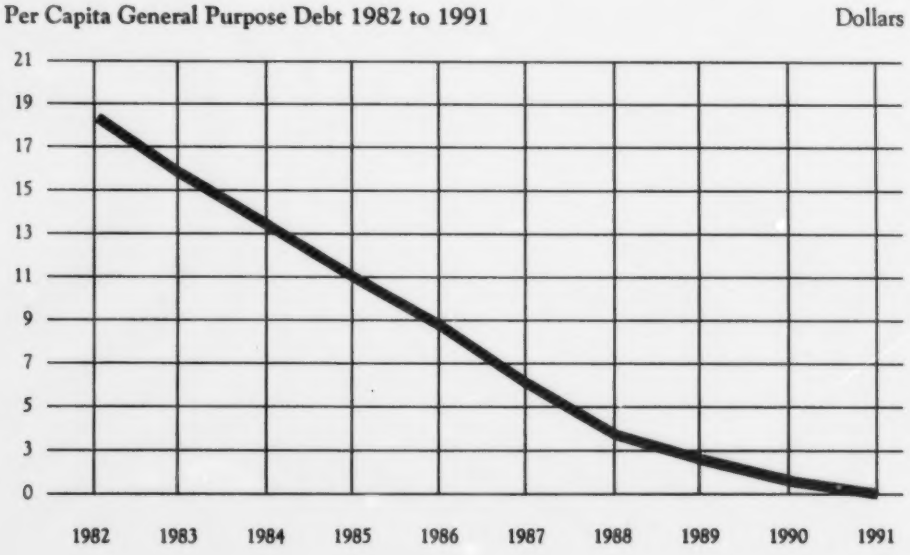


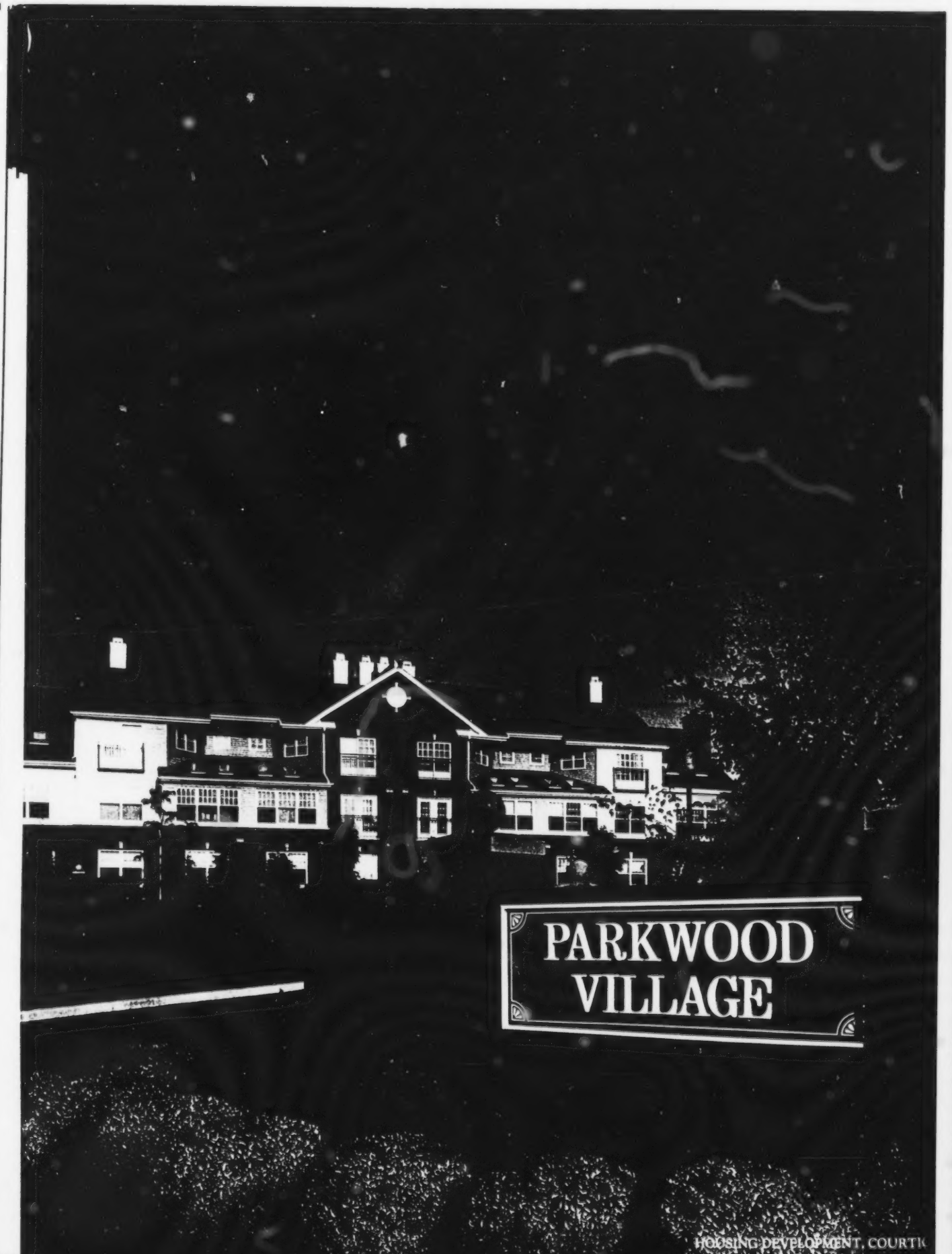
As a result of financing the vast majority of capital requirements from current funds in the past, the per capita debt for general purposes has continued to decrease over the past ten years, from $16.70 per capita in 1981 to $0.57 per capita in 1991 as illustrated in Exhibit 8 below.

The debt outstanding for sanitary sewer and water servicing purposes has also decreased from a combined total of $73.7 million in 1982 to $14.9 million in 1991, a decrease of 79.8% in the ten year period.

Exhibit 8

Per Capita General Purpose Debt 1982 to 1991




PARKWOOD
VILLAGE
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Auditors' Report & Financial Statements

Auditors' Report

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have audited the consolidated balance sheet of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the consolidated statement of operations for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements.

Deloitte & Touche

Chartered Accountants

April 30, 1992

Consolidated Balance Sheet

as at December 31, 1991

	1991	1990
ASSETS	**$**	$
Unrestricted:		
Cash and short-term investments	**40,433,809**	35,368,134
Accounts receivable (net of allowance for doubtful accounts of $280,000 - 1991 and 1990)	**41,903,399**	39,853,018
Other current assets (Note 3)	**6,837,628**	6,007,234
	89,174,836	81,228,386
Restricted: (Note 7)		
Cash and short-term investments	**88,630,873**	74,538,345
Investment in own debentures	**73,755**	92,914
	88,704,628	74,631,259
Capital outlay financed by long-term liabilities and to be recovered in future years (Notes 2, 4 and 5)	**15,197,319**	21,839,767
	193,076,783	177,699,412
LIABILITIES		
Accounts payable and accrued liabilities	**33,068,508**	27,852,334
Current portion of Ontario Housing Action Program loans	**2,605,383**	2,274,833
Other current liabilities and deferred revenue	**2,268,666**	2,341,809
	37,942,557	32,468,976
Net long-term liabilities (Note 5)	**15,197,319**	21,839,767
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1992		
- General Revenue	**1,940,306**	2,297,817
- Waste Management Operation	**386,495**	—
- Environmental Inspections	**39,732**	155,301
	2,366,533	2,453,118
Unexpended Capital Financing	**21,097,360**	19,304,464
Reserves (Note 6)	**27,768,386**	27,001,828
Reserve Funds (Note 7)	**88,704,628**	74,631,259
	139,936,907	123,390,669
	193,076,783	177,699,412

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Operations

for the year ended December 31, 1991

	1991	1990
	Actual	Actual
	$	$
SOURCES OF FINANCING (Schedule 1)		
Requisition on Area Municipalities	83,957,923	78,445,378
User charges - Water and Sewer	54,215,109	48,421,847
Other user charges	35,618,441	26,533,772
Grants		
- Government of Canada	125,755	160,340
- Province of Ontario	141,246,739	102,908,799
Contribution from developers	28,538,642	23,024,043
Other	14,252,109	35,455,478
	357,954,718	314,949,657
Proceeds from issue of long-term liabilities	—	610,458
EXPENDITURES (Notes 2, 8, 9 10 and 11) (Schedule 1)		
General government	8,057,050	10,077,438
Protection to persons and property	54,753,548	44,888,669
Transportation services	28,641,006	30,100,485
Environmental services	101,613,042	82,349,643
Health services	7,821,918	7,323,480
Social and family services	136,261,145	96,572,546
Planning and development	4,260,77*	3,822,150
	341,408,480	275,134,411
EXCESS OF FINANCING OVER EXPENDITURES	16,546,238	40,425,704
FUND BALANCES, BEGINNING OF YEAR	123,390,669	82,964,965
FUND BALANCES, END OF YEAR	139,936,907	123,390,669

The accompanying notes are an integral part of these financial statements.

1) MUNICIPAL STRUCTURE

The Regional Municipality of Durham came into existence on October 15, 1973 and assumed its responsibilities on January 1, 1974, under the authority of the Regional Municipality of Durham Act, 1973.

The Region comprises the following Area Municipalities:

City of Oshawa	Town of Whitby
Town of Ajax	Township of Brock
Town of Newcastle	Township of Scugog
Town of Pickering	Township of Uxbridge

and is responsible for services within these Area Municipalities related to the following:

- Financial, including all debt issues.
- Protection to persons and property, including Police, Conservation Authorities, Emergency Planning and Fire Co-ordination.
- Transportation Services, including all Regional Roadways and Traffic Control.
- Environmental Services, including Water Supply System, Sanitary Sewerage System, Regional Storm Sewer System and Waste Disposal.
- Health Services, including Public Health Services and Inspections.
- Social and Family Services, including General Assistance, Homes for the Aged and Day Nurseries.
- Planning, including official plan administration.
- Industrial Development and Promotion.

2) SUMMARY OF ACCOUNTING PRINCIPLES

a) Basis of Consolidation:

(i) Consolidated Balance Sheet
This statement reflects the assets and liabilities of the revenue fund, reserves, reserve funds, the capital fund and the Durham Region Police Services Board.

(ii) Consolidated Statement of Operations
This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality, including the activities of the Durham Region Police Services Board.

(iii) Trust Funds and Sinking Fund
The trust funds and sinking fund administered by the municipality are not included in these consolidated financial statements. The Net long-term liabilities and Capital outlay to be recovered in future years on the Consolidated Balance Sheet have been reduced by an amount equal to the sinking fund administered by the municipality. The Trust Funds and the Sinking Fund financial statements are disclosed separately.

b) Basis of Accounting

(i) Accrual Basis of Accounting
Expenditures and their related sources of financing are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets
The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

2) SUMMARY OF ACCOUNTING PRINCIPLES (continued)

(iii) Capital Outlay to be Recovered in Future Years
Capital outlay to be recovered in future years represents the outstanding principal portion of long-term liabilities for municipal expenditures or capital funds transferred to other organizations and is reported on the Consolidated Balance Sheet.

(iv) Inventories of Supplies
Inventories of supplies are valued at cost on the first-in, first-out basis.

3) OTHER CURRENT ASSETS

	1991	1990
Prepaid Expenses	$ 4,925,429	$ 4,084,074
Inventory	1,839,645	1,893,549
Other	72,554	29,611
	$ 6,837,628	$ 6,007,234

4) CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

Certain capital outlay will be recovered in future years from the following sources:

	1991	1990
General activities	$ 221,801	$ 498,759
Special charges on benefitting landowners	2,354,373	2,652,346
Sanitary sewerage operation	3,636,489	6,768,965
Water supply operation	8,936,356	11,684,697
Waste disposal operation	48,300	235,000
	$15,197,319	$21,839,767

5) NET LONG-TERM LIABILITIES

The balance of net long-term liabilities reported on the Consolidated Balance Sheet is made up of the following:

	1991	1990
Total long-term liabilities incurred by the Region (including the former County of Ontario) and outstanding at the end of the year amount to	**$76,026,365**	$69,560,834
In addition, the Region has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	**404,534**	713,957
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed:		
- by other municipalities and independent boards for a principal amount of	**(60,160,802)**	(47,440,597)
- by the Province of Ontario for the York/Durham Sewage System	**(68,511)**	(121,095)
The total value of the Sinking Fund which has been accumulated to the end of the year to retire outstanding long-term liabilities included above, amounts to	**(1,004,267)**	(873,332)
Net long-term liabilities at the end of the year	**$15,197,319**	$21,839,767

Approval of the Ontario Municipal Board has been obtained for these long-term liabilities.

The net long-term liabilities will be charged to operations as follows:

	1992	1993	1994	1995 to 1999	2000 and Thereafter
	$	$	$	$	$
Water Supply Operation	2,576,524	2,485,821	2,308,495	2,347,910	267,195
Sanitary Sewerage Operation	2,218,305	1,157,158	601,336	778,558	185,915
Police	7,115	8,164	7,521		
Homes for the Aged	138,714	10,263	11,344	38,681	
Waste Disposal Operation	48,300				
	4,988,958	3,661,406	2,928,696	3,165,149	453,110

5) NET LONG-TERM LIABILITIES (continued)

Included in net long-term liabilities on the Consolidated Balance Sheet are the following:

a) An amount of $6,961,489 (1990-$9,085,793) payable in United States dollars, which was converted into Canadian dollars at the rate of exchange prevailing at December 31, 1991. If the liability was converted into Canadian dollars at the exchange rate prevailing when the liability was incurred, the loss on exchange would be $52,254 (1990-$158,979).

A Foreign Exchange Reserve Fund in the amount of $2,129,178 (1990-$1,786,989) has been established to provide for foreign exchange fluctuations and is reflected on the Consolidated Balance Sheet. An amount of $149,456 (1990-$192,539) has been provided for in the current year and is reported on the Consolidated Statement of Operations.

b) An amount of $6,360,912 (1990-$9,466,295) in Ontario Housing Action Program loans, which assist in financing the installation of trunk water and sanitary sewer systems within the Region. Such loan amounts are interest-free and are repayable in accordance with formulae related to the registration of plans of subdivisions in the Towns of Ajax, Pickering, Newcastle and Whitby and the City of Oshawa, on which the Region of Durham can collect development charge levies.

It is estimated that these loans will be charged to operations as follows based on housing projections:

	1992	1993	1994
	$	$	$
Water Supply Operation	2,150,000	2,150,000	1,299,446
Sanitary Sewerage Operation	761,466	—	—
	2,911,466	2,150,000	1,299,446

6) RESERVES

The reserves are comprised of the following:

	1991	1990
Solid waste management	**$16,623,720**	$17,438,865
Working capital	**4,271,440**	3,471,516
Equipment replacement	**1,608,170**	1,810,938
Contingencies	**400,000**	400,000
Sick leave	**1,721,372**	1,496,225
Capital construction	**1,943,684**	2,384,284
Homes for the Aged	**1,200,000**	—
	$27,768,386	$27,001,828

7) RESERVE FUNDS

The reserve funds are comprised of the following:

	1991	1990
Development Charges:		
- Roads	**$13,049,871**	$ 9,337,004
- Sanitary Sewerage	**20,026,735**	17,626,759
- Water Supply	**17,407,980**	15,381,466
- Fixed Charges	**241,293**	1,594,467
Rate Stabilization: - Sanitary Sewerage	**13,922,206**	11,974,540
- Water Supply	**11,093,112**	6,172,743
Regional Share of Non-Residential Development:		
- Sanitary Sewerage	**1,051,080**	768,226
- Water Supply	**751,080**	768,226
911 Emergency Telephone System	**520,333**	2,103,406
Regional Headquarters Building	**1,501,069**	1,362,686
Industrial Land	**654,449**	779,644
Roads Property Acquisition	**324,350**	226,452
Foreign Exchange	**2,129,178**	1,786,989
Workers' Compensation	**553,739**	349,184
York Durham Sanitary Sewage	**581,530**	360,417
Insurance	**4,707,613**	3,868,440
Police Stations	**189,010**	170,610
	$88,704,628	$74,631,259

8) PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 2,516 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1991 was $5,512,568 (1990-$4,891,055) for current service and is included as an expenditure on the Consolidated Statement of Operations.

In addition, contributions were made to OMERS with respect to a supplementary pension plan for the Regional Police Force. However, changes made to the OMERS basic plan during the year have removed the need to provide benefits under supplementary plans. As a result, a surplus of approximately $3,970,000 exists in the supplementary plan as at December 31, 1991. These excess funds can only be utilized for specified alternative purposes when agreed to by both the OMERS Board and the Region.

9) LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to approximately $16,845,000 at the end of the year (1990-$14,578,000). An amount of $327,968 (1990-$417,241) was paid to employees who left the municipality's employment during the current year.

A provision for sick leave reserve in the amount of $1,721,372 (1990-$1,496,225) has been made for this liability and is reflected on the Consolidated Balance Sheet. An amount of $225,147 (1990-$200,141) has been provided for in the current year and is reported on the Consolidated Statement of Operations.

Anticipated payments over the next five years to employees who are eligible to retire are:

1992	$682,400
1993	$304,900
1994	$501,900
1995	$567,600
1996	$463,500

10) CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the Consolidated Statement of Operations are as follows:

	1991	1990
- Principal payments, including contributions to the Sinking Fund	**$6,466,748**	$5,772,237
- Interest	**1,350,882**	1,861,795
	$7,817,630	$7,634,032

Of the total 1991 charges shown above, $338,934 was paid from general municipal revenues of the municipality, $3,249,247 was recovered from the water supply operation, $4,002,098 from the sanitary sewerage operation and $227,351 from the waste disposal operation. These amounts are included on the Consolidated Statement of Operations classified under the appropriate functional expenditure headings.

11) CONTRACTUAL OBLIGATIONS

a) Sanitary Sewerage Systems

The Region has entered into an agreement with the Province of Ontario and the Regional Municipality of York whereby the Province will provide sanitary sewerage services to portions of the Regions of Durham and York. Under this agreement, the Province will construct and finance sewage plant facilities, and charge the Regions for the capital costs of the facilities based on a sewage service rate. The sewage service rate for 1991 was $0.728 per thousand gallons for a total cost of approximately $2,972,000 (1990-$3,061,000).

Effective October 1988, the Region began operating the sewage system on behalf of the Province. The Region assumes its share of operating costs and, in turn, charges the Region of York for a share of the costs incurred to operate the system.

b) Lease Commitments

The Region has commitments under various building lease agreements expiring in 1992 to 1996. These leases require approximate annual rental payments as follows:

1992	$2,500,000
1993	$2,110,000
1994	$ 709,000
1995	$ 473,000
1996	$ 354,000

12) CONTINGENT LIABILITIES

In 1988, the City of Oshawa initiated legal proceedings against the Region of Durham claiming a percentage ownership in the Regional Headquarters building. In addition, the City is claiming a share of net rental revenues received.

The disposition of this claim is not determinable at the present time.

13) BUDGET FIGURES

Budgets established for Capital Funds, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts. Therefore the budgets have not been reflected on the Consolidated Statement of Operations.

Schedule 1
Schedule of Consolidated Operations

for the year ended December 31, 1991

	Revenue Fund Budget	Revenue Fund Actual	Capital Fund Actual	Reserves and Reserve Funds Actual	1991 Total Actual
	$	$	$	$	$
SOURCES OF FINANCING					
Requisition on Area Municipalities	85,017,251	83,957,923			**83,957,923**
User Charges - Water and Sewer	48,562,000	54,215,109			**54,215,109**
Other User Charges	42,650,858	35,618,441			**35,618,441**
Grants					
- Government of Canada	179,650	125,755			**125,755**
- Province of Ontario	129,452,719	128,542,122	12,704,617		**141,246,739**
Contribution from developers			1,141,121	27,397,521	**28,538,642**
Other	2,729,905	2,666,228	2,338,733	9,247,148	**14,252,109**
	308,592,383	305,125,578	16,184,471	36,644,669	**357,954,718**
EXPENDITURES					
General government	8,016,069	7,686,347	370,703		**8,057,050**
Protection to persons & property	48,546,265	48,595,847	5,810,704	346,997	**54,753,548**
Transportation services	10,605,800	8,825,580	19,656,451	158,975	**28,641,006**
Environmental services	72,892,300	65,846,727	35,766,315		**101,613,042**
Health services	8,258,700	7,767,558	54,360		**7,821,918**
Social and family services	137,996,302	135,008,711	1,252,434		**136,261,145**
Planning and development	3,880,360	4,002,955	60,365	197,451	**4,260,771**
	290,195,796	277,733,725	62,971,332	703,423	**341,408,480**
EXCESS OF FINANCING OVER EXPENDITURES	18,396,587	27,391,853	(46,786,861)	35,941,246	**16,546,238**
APPROPRIATIONS					
Net appropriations between funds	(19,334,687)	(27,478,438)	48,579,757	(21,101,319)	—
FUND BALANCES, BEGINNING OF YEAR	938,100	2,453,118	19,304,464	101,633,087	**123,390,669**
FUND BALANCES, END OF YEAR	—	2,366,533	21,097,360	116,473,014	**139,936,907**

Schedule 2
Summary Schedule of Continuity of Reserve Funds

for the year ended December 31, 1991

	1991	1990
	$	$
Balance, beginning of year	**74,631,259**	56,572,066
Revenue		
Metro/Durham landfill agreement	**—**	20,000,000
Interest on investments	**9,024,696**	10,718,049
Development charges	**27,397,521**	19,849,527
Contribution from revenue fund	**14,902,502**	15,069,923
Royalties	**—**	737,427
Other	**136,822**	221,085
Total revenue	**51,461,541**	66,596,011
Expenditure		
Debt charges and capital expenditure		
- general activities	**4,006,159**	4,684,007
- sanitary sewerage operation	**14,403,965**	10,711,219
- water supply operation	**9,545,968**	3,486,677
- waste disposal operation	**—**	4,884,889
	27,956,092	23,766,792
Contribution to reserve	**—**	17,438,865
Contribution to capital fund	**8,728,657**	6,144,602
Other	**703,423**	1,186,559
Total expenditure	**37,388,172**	48,536,818
Balance, end of year	**88,704,628**	74,631,259

Schedule 3
Continuity of Reserve Funds

for the year ended December 31, 1991

	Development Charges				
	Roads	Sewerage (Schedule 4)	Water Supply (Schedule 5)	Fixed Charges	Industrial Land
	$	$	$	$	$
Balance, beginning of year	9,337,004	30,369,525	22,322,435	1,594,467	779,644
Revenue					
Interest on investments	1,276,447	3,610,534	2,811,529	172,654	72,256
Development charges	6,442,579	9,215,600	11,640,170	99,172	
Contribution from revenue fund		6,577,828	6,984,347		
Other					
Total Revenue	7,719,026	19,403,962	21,436,046	271,826	72,256
Expenditure					
Debt charges and capital expenditure					
- general activities	4,006,159				
- sewer/water operations		13,591,965	8,732,968	1,625,000	
Contribution to capital fund		1,181,501	5,773,341		
Other					197,451
Total Expenditure	4,006,159	14,773,466	14,506,309	1,625,000	197,451
Balance, end of year	13,049,871	35,000,021	29,252,172	241,293	654,449

Roads Property Acquisition	Foreign Exchange	Insurance	Police Stations	911 Emergency Telephone System	Regional Headquarters Building	Workers' Compensation	York Durham	Total
$	$	$	$	$	$	$	$	$
226,452	1,786,989	3,868,440	170,610	2,103,406	1,362,686	349,184	360,417	**74,631,259**
40,958	192,724	429,290	18,400	166,090	138,383	47,805	47,626	**9,024,696**
								27,397,521
140,000	149,465	720,625				156,750	173,487	**14,902,502**
100,567		36,255						**136,822**
281,525	342,189	1,186,170	18,400	166,090	138,383	204,555	221,113	**51,461,541**
								4,006,159
								23,949,933
24,652				1,749,163				**8,728,657**
158,975		346,997						**703,423**
183,627	—	346,997	—	1,749,163	—	—	—	**37,388,172**
324,350	2,129,178	4,707,613	189,010	520,333	1,501,069	553,739	581,530	**88,704,628**

Schedule 4
Continuity of Sewerage Reserve Funds
for the year ended December 31, 1991

	Rate Stabilization	Development Charges	Regional Share of Non Residential Development	Total
	$	$	$	$
Balance, beginning of year	11,974,540	17,626,759	768,226	**30,369,525**
Revenue				
Interest on investments	1,291,438	2,236,242	82,854	**3,610,534**
Development charges		9,215,600		**9,215,600**
Contribution from revenue fund	6,127,828	250,000	200,000	**6,577,828**
Total Revenue	7,419,266	11,701,842	282,854	**19,403,962**
Expenditure				
Debt charges and capital expenditure - sanitary sewerage operation	5,471,600	8,120,365		**13,591,965**
Contribution to capital fund		1,181,501		**1,181,501**
Total Expenditure	5,471,600	9,301,866	—	**14,773,466**
Balance, end of year	13,922,206	20,026,735	1,051,080	**35,000,021**

Schedule 5
Continuity of Water Supply Reserve Funds

for the year ended December 31, 1991

	Rate Stabilization	Development Charges	Regional Share of Non Residential Development	Total
	$	$	$	$
Balance, beginning of year	6,172,743	15,381,466	768,226	22,322,435
Revenue				
Interest on investments	665,722	2,062,953	82,854	2,811,529
Development charges		11,640,170		11,640,170
Contribution from revenue fund	6,734,347	250,000		6,984,347
Total Revenue	7,400,069	13,953,123	82,854	21,436,046
Expenditure				
Debt charges and capital expenditure - water supply operation	2,479,700	6,253,268		8,732,968
Contribution to capital fund		5,673,341	100,000	5,773,341
Total Expenditure	2,479,700	11,926,609	100,000	14,506,309
Balance, end of year	11,093,112	17,407,980	751,080	29,252,172

Sinking Fund Auditors' Report And Financial Statements

Auditors' Report

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have audited the balance sheet of the sinking fund of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the sinking fund statement of continuity for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the sinking fund of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the continuity of sinking fund for the year then ended in accordance with the accounting principles disclosed in the Notes to the financial statements.

Deloitte & Touche

Chartered Accountants

April 30, 1992

Sinking Fund

STATEMENT OF CONTINUITY
for the year ended December 31, 1991

	Debt Retirement Fund	
	1991	1990
	$	$
Balance, beginning of year	337,646	274,865
Contribution from the water supply operation	30,243	30,243
Interest earned	100,692	86,849
	130,935	117,092
Actuarial requirement for the year	57,027	54,311
Balance, end of year	411,554	337,646

BALANCE SHEET
as at December 31, 1991

	Debt Retirement Fund	
	1991	1990
	$	$
Assets		
Investments - at amortized cost (market value $1,078,504 - 1991; $872,880 - 1990)	1,004,267	873,332
Liability		
Actuarial requirement for retirement of debenture	592,713	535,686
Fund Balance	411,554	337,646
Total	1,004,267	873,332

NOTES TO SINKING FUND FINANCIAL STATEMENTS - *December 31, 1991*

(1) Investments

All investments are purchased with the intention of holding them until maturity and are recorded at cost, adjusted annually for amortization of discount or premium on the straight-line basis as determined at the date of purchase. The amount of such amortization is included in the interest earned on the Statement of Continuity.

(2) Actuarial Requirements

The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 5% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.

Trust Funds Auditors' Report And Financial Statements

Auditors' Report

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have audited the balance sheet of the trust funds of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The trust funds of the Corporation of the Regional Municipality of Durham derive the majority of their receipts in the form of contributions on behalf of the residents of the Homes for the Aged, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of such receipts was limited to the amounts recorded in the records of the trust funds and we were not able to determine whether any adjustments might be necessary to receipts, assets or funds balance at the end of the year.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of trust fund receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Corporation of the Regional Municipality of Durham as at December 31, 1991 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in the Note to the financial statements.

Deloitte & Touche

Chartered Accountants

April 30, 1992

Trust Funds

STATEMENT OF CONTINUITY
for the year ended December 31, 1991

	Total	Homes for the Aged			Campbell Bequest	Social Services	Homecare Donations
		Residents	Donations	Bequests			
	$	$	$	$	$	$	$
Balance, beginning of year	1,911,956	1,220,967	157,893	519,300	5,354	5,560	2,882
Receipts on behalf of:							
Residents	1,018,621	975,015	43,606				
Recipients	118,502					117,752	750
Employees	18,706		18,706				
Interest earned	161,468	100,838	18,531	41,017		705	377
Total receipts	1,317,297	1,075,853	80,843	41,017	—	118,457	1,127
Expenditures on behalf of:							
Residents	1,026,502	981,709	31,620	13,173			
Recipients	117,635				2,323	115,312	
Employees	16,234		16,234				
Total expenditures	1,160,371	981,709	47,854	13,173	2,323	115,312	—
Balance, end of year	2,068,882	1,315,111	190,882	547,144	3,031	8,705	4,009

BALANCE SHEET
as at December 31, 1991

	Total	Homes for the Aged			Campbell Bequest	Social Services	Homecare Donations
		Residents	Donations	Bequests			
	$	$	$	$	$	$	$
Assets							
Cash and accrued interest	2,068,882	1,315,111	190,882	547,144	3,031	8,705	4,009
Fund Balance	2,068,882	1,315,111	190,882	547,144	3,031	8,705	4,009

NOTE TO TRUST FUNDS FINANCIAL STATEMENTS - *December 31, 1991*

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted for Ontario municipalities as required by the Ministry of Municipal Affairs, and reflect the following policy as set forth in the Municipal Financial Reporting Handbook.

BASIS OF ACCOUNTING

Receipts and expenditures are reported on the cash basis of accounting with the exception of interest income which is reported on the accrual basis.